

GOVERNMENTAL OPERATIONS

Agency 160

Office of Insurance Commissioner

Recommendation Summary

Dollars in Thousands

	Annual FTEs General Fund State	Other Funds	Total Funds
2009-11 Expenditure Authority	229.7	50,391	50,391
Total Maintenance Level	229.8	53,225	53,225
Difference	.1	2,834	2,834
Percent Change from Current Biennium	0.0%	5.6%	5.6%
Performance Changes			
Suspend Plan 1 Uniform COLA #		(596)	(596)
State Data Center Rate Increase		82	82
Subtotal		(514)	(514)
Total Proposed Budget	229.8	52,711	52,711
Difference	.1	2,320	2,320
Percent Change from Current Biennium	0.0%	4.6%	4.6%
Total Proposed Budget by Activity			
Agency Administration	41.9	9,230	9,230
Monitoring Insurance Company Solvency	62.5	14,307	14,307
Consumer Information and Advocacy	28.0	3,561	3,561
Health Insurance Benefit Advisors	14.0	5,127	5,127
Policy and Enforcement	35.4	6,467	6,467
Producer Licensing and Education	14.0	457	457
Regulation of Insurance Rates and Forms	34.0	8,530	8,530
Other Statewide Adjustments		(1,082)	(1,082)
Inactive - Investigations and Enforcement		6,114	6,114
Total Proposed Budget	229.8	52,711	52,711

ACTIVITY DESCRIPTIONS

Agency Administration

The Office of the Insurance Commissioner (OIC) is responsible for regulating the insurance industry in Washington State and protecting consumers through education and timely communications. The activities of the OIC are primarily funded by fees from insurance organizations. Agency management develops policies, regulations, and codes to ensure that the citizens of Washington are able to access affordable insurance; it also provides the administrative support necessary for other divisions within the agency to carry out their functions.

GOVERNMENTAL OPERATIONS

Monitoring Insurance Company Solvency

This activity includes monitoring the solvency of insurance carriers, health care service contractors, health maintenance organizations, and certified health plans authorized to conduct business in Washington State. Solvency issues may be identified through market conduct oversight activities, financial examinations, or financial analysis of statements filed by insurers.

Consumer Information and Advocacy

Staff respond to oral and written complaints and inquiries from consumers regarding insurance companies, and act as an advocate when appropriate. Assistance is rendered to enforce the various provisions of the insurance code with the primary function of ensuring that consumer rights have not been violated.

Health Insurance Benefit Advisors

A statewide network of trained volunteers educates, assists, and advocates for consumers regarding health insurance and health care access issues.

Policy and Enforcement

Staff handle enforcement actions against insurance companies, health carriers, insurance producers, and others; identify and investigate criminal insurance fraud; provide information and counsel to other agency divisions; and support the public policy activities of the agency.

Producer Licensing and Education

This activity ensures compliance with all requirements for licensure including issuing and renewing licenses; and conducts financial examinations of insurance producers, surplus line brokers, adjustors, life settlement brokers, and others. Staff also administer continuing education requirements.

Regulation of Insurance Rates and Forms

Staff review and approve the complex actuarial formulas, assumptions, and experience data submitted as part of a proposed rate filing to ensure that rates are neither excessive, inadequate, or unfairly discriminatory. Staff also review policy forms are reviewed to ensure that the terms and conditions of the insurance contract comply with state and federal laws prior to being sold in Washington.

Other Statewide Adjustments

This item reflects proposed compensation and other adjustments that were not allocated to individual agency activities. This agency will assign these costs to the proper activities after the budget is enacted.

Inactive - Investigations and Enforcement

Staff investigate and act upon violations of laws and rules regarding sales and marketing practices, account standards, and related matters. Staff also assist consumers with problems involving insurance sales or marketing practices by producers, surplus line brokers, title insurance agents or insurers. (Insurance Commissioner's Regulatory-State)